ance of the Monetary Policy measures announced by the Reserve Bank of India (RBI) in June, 1993. all the scheduled commercial banks were advised to reduce the lending rate on credit limits of over Rs. 2 lacs by one percentage point i.e. 17 per cent to 16 per cent. RBI has also advised the All India Financial Institutions (FIs) to review their interest rate structure and suitably reduce the interest rates charged by them.

(b) Industrial Development Bank of India (IDBI) which provides assistance to the State level financial institutions under its refinance scheme has recently reduced the rate of interest under this scheme from 16% to 15.5% p.a. Consequently, SFCs have been advised to charge maximum interest at 19% p.a. to the ultimate borrowers as against 20% charged hitherto.

(c) and (d) The purport of this part of the Question is not clear. Development Financial Institutions in India are engaged in term lending activities. Foreign banks like other commercial banks are essentially engaged in working capital finance and short term lending.

Shortage of high Denomination Currenty Notes

3746. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is an acute shortage of high denominations currency notes;

(b) whether it is also a fact that large number of old torned low currency denomination notes are in circulation; and

(c) whether it is a fact that Government is recirculating the soiled low denominations currency notes to overcome the shortage?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) In view of capacity constraints, the existing note printing presses at Dewas and Nashik are unable to fully meet the RBI's requirement of high denomination currency notes.

(b) In view of Government's decision to coinize Re. 1, Rs. 2 and Rs. 5 notes in a phased manner, production of fresh notes for these denominations has been reduced and (he quality of notes in circulation has, therefore, deteriorated to some extent.

(c) In view of the shortage, RBI has to put issuable soiled notes back into circulation.

Benefits to the Staff of RRBs

3747. SHRI ASHIS SEN: Will the Minister of FINANCE be pleased to state:

(a) whether Regional Rural Banks sponsored by the State Bank of India have not yet passed on to their respective staff the benefits cleared by the Central Government by its letter dated the 22 February, 1991;

(b) if so, what are the names of such RRBs and the reasons for non-implementation of the Government instructions; and

(c) by when the benefits are expected to be extended to the concerned staff?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (c) State Bank of India (SBI) has reported that all the Regional Rural Banks (RRBs) sponsored by it have extended by and large the benefits to its staff in accordance with Government's letter dated 22-2-1991. However, with regard to certain anomalies and other service conditions a separate Committee was constituted, on the basis of whose report National Bank for Agriculture and Rural Development (NABARD) has since issued instructions to all the sponsored banks to implement its accepted recommendations. SBI has again been requested to instruct all the RRBs sponsored by it to ensure implementation of all such recommendations and also take appropriate action in individual cases of dispute, if any.